

Hearing Date:
January 31, 2001
10:00 a.m.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: Case Nos. 00 B 41065 (SMB)
RANDALL'S ISLAND FAMILY GOLF CENTERS, : through 00 B 41196 (SMB)
INC., et al., :
: (Jointly Administered)
Debtors. :
:
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**MOTION FOR AN ORDER PURSUANT TO SECTION
1121(d) OF THE BANKRUPTCY CODE EXTENDING
THE EXCLUSIVE PERIODS DURING WHICH ONLY
THE DEBTORS-IN-POSSESSION MAY FILE A
CHAPTER 11 PLAN OR PLANS AND SOLICIT
ACCEPTANCES OF SUCH PLAN OR PLANS**

TO THE HONORABLE STUART M. BERNSTEIN,
CHIEF UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors-in-possession (the "Debtors"), for their motion (the "Motion") for an order pursuant to section 1121(d) of title 11 of the United States Code (the "Bankruptcy Code"), extending the exclusive periods during which only the Debtors may file a chapter 11 plan or plans and solicit acceptances of such plan or plans (the "Exclusive Periods"), respectfully state as follows:

Introduction

By this Motion, the Debtors seek a 60 day extension of the Exclusive Periods. The Debtors have determined that it is in the best interest of creditors and the estates to sell the remaining assets (the "Assets") of the Debtors at an auction (the "Auction") to be held on February 9, 2001, subject to this Court's approval. The exclusive period for the Debtors to file a plan expires on January 31, 2001. Although the submission of plans by other parties in interest prior to the Auction is unlikely, the filing of any plan would divert the attention of the Debtors and their professionals from the crucial task of the sale of the Assets, and disrupt the auction and the winding up of the Debtors' businesses. Accordingly, an extension of the Exclusive Periods is necessary and appropriate.

Background

1. On May 4, 2000 (the "Filing Date"), each of the Debtors filed with this court separate voluntary petitions for relief under chapter 11 of the Bankruptcy Code. By Order of this Court dated as of the Filing Date, the Debtors' chapter 11 cases are being jointly administered. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties as debtors-in-possession.

2. The Debtors operate golf, ice skating and family entertainment centers throughout North America. As of the Filing Date, the Debtors owned and/or operated 100 golf facilities and 17 ice skating and family entertainment centers.

3. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). The statutory predicate for the relief requested herein is section 1121(d) of the Bankruptcy Code.

The Exclusive Periods

4. Section 1121(b) of the Bankruptcy Code provides a debtor with the exclusive right to file a chapter 11 plan within the first 120 days of the case. Section 1121(c)(3) of the Bankruptcy Code provides that if a debtor files a plan of reorganization within its exclusive period, it has an additional 60 days to solicit acceptances, during which time competing plans may

not be filed. Section 1121(d) of the Bankruptcy Code authorizes the court to extend the exclusive periods for cause.

5. On August 18, 2000 the Debtors filed a motion seeking an extension of the Exclusive Periods. On September 1, 2000, this Court entered an order extending the time in which only the Debtors may file a plan and solicit acceptances of a plan, until November 30, 2000 and January 29, 2001, respectively. On November 15, 2001 the Debtors filed a motion seeking an additional extension of the Exclusive Periods. On November 28, 2001, this Court entered an Order extending the Exclusive Periods until January 31, 2001 and March 31, 2001, without prejudice to their right to seek further extensions of the Exclusive Periods.

Applicable Authority

6. Section 1121 of the Bankruptcy Code provides as follows:

(a) The debtor may file a plan with a petition commencing a voluntary case, or at any time in a voluntary case or an involuntary case.

(b) Except as otherwise provided in this section, only the debtor may file a plan until after 120 days after the date of the order for relief under this chapter.

(c) Any party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee, may file a plan if and only if --

(1) a trustee has been appointed under this chapter;

(2) the debtor has not filed a plan before 120 days after the date of the order for relief under this chapter; or

(3) the debtor has not filed a plan that has been accepted, before 180 days after the date of the order for relief under this chapter, by each class of claims or interests that is impaired under the plan.

(d) On request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.

11 U.S.C. § 1121.

7. Although the term "cause" is not defined in the statute, the legislative history of section 1121(d) of the Bankruptcy Code indicates that "cause" is a flexible standard designed to balance the competing interests of a debtor and its creditors. See H.R. Rep. No. 595, 95th Cong., 2d. Sess. 231, 232 (1978) (bankruptcy court is given flexibility to increase the 120-day period depending on the circumstances of the case).

8. Certain factors have been identified by courts as relevant in determining whether cause exists to extend the exclusive periods. These factors include: (i) the size and complexity of the chapter 11 case; (ii) the degree of progress that has been achieved by the debtor in the chapter 11 process; (iii) whether the debtor has, in good faith, shown progress in attempting to formulate a plan of reorganization; and (iv) whether the debtor is paying its bills as they come due. See In re McLean Indus., Inc., 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (identifying factors used by courts to consider whether cause exists to extend exclusivity) (citations omitted).

9. In other cases in this district, courts have granted similar exclusivity extensions on the second and third request. See, e.g., In re The Singer Co. N.V., Case Nos. 99-10578 through 99-10607 (Bankr. S.D.N.Y.) (granting third extension); In re Joan and David Helpern Inc., Case No. 00-10961 (Bankr. S.D.N.Y.) (granting second extension); In re NYEC Inc. f/k/a The Wiz, Inc., Case Nos. 97-48257 through 97-48311 (Bankr. S.D.N.Y.) (granting second extension).

Cause For the Extension

10. In this case, sufficient cause exists in accordance with McLean Industries, Inc., for the extension of the Exclusive Periods as requested by the Debtors in this Motion. A plan in this case would be a plan of liquidation. The Debtors have made substantial progress toward liquidation in these complex chapter 11 cases. Not only have the Debtors effected the sale of numerous businesses to Klak Golf, LLC and the rejection of certain leases, but also the Debtors, along with Keen Realty Consultants, Inc. ("Keen") are in the process of marketing the remaining Assets and organizing the Auction. The Debtors are working closely and in good faith

with the Creditors' Committee and the postpetition lenders in this endeavor. Further, the Debtors have been in communication with numerous landlords and secured lenders with respect to any concern they may have regarding the Auction and the bidding procedures. Finally, the Debtors are paying their bills as they come due. These efforts, at present, are enormously time-consuming.

12. If the Debtors were forced to address a competing plan before or shortly after the Auction, the current course of action would be disrupted, as would the winding down of the Debtors after the Auction. The Debtors seek only an additional 60 day breathing space to complete the sale process without the distraction of addressing other plans.

Best Interests of the Estate

13. The Debtors have worked cooperatively with the Creditors' Committee and the postpetition lenders to liquidate the Debtors in such a way as to obtain the highest possible value for the Assets for the benefit of all creditors. To allow competing plans during this process would add uncertainty to the sale and possibly adversely affect the value of the Debtors' assets and jeopardize the recoveries to the Debtors' creditors.

Notice

14. The Debtors have provided notice of this Motion to (i) the Office of the United States Trustee, (ii) Berlack, Israels & Liberman, LLP, counsel to the Official Committee of Unsecured Creditors, (iii) Morgan, Lewis & Bockius, LLP, counsel for The Chase Manhattan Bank, as administrative agent for certain lenders under the Debtors' prepetition credit facility, and (iv) all other parties who have filed a notice of appearance in these chapter 11 cases. The Debtors believe that such notice is appropriate under the circumstances of this Motion and that any additional notice would not warrant the expense. Accordingly, the Debtors respectfully request that any and all other and further notice be dispensed with and waived.

Waiver of Memorandum of Law

15. Given the nature of the relief requested in this Motion, the Debtors respectfully request that this Court dispense with and waive the requirement for submission of a memorandum of law contained in Local Rule 9013-1(b).

Prior Request

16. On August 18, 2000 the Debtors filed a motion seeking an extension of the Exclusive Periods. On September 1, 2000, this Court entered an order extending the time in which only the Debtors may file a plan and solicit acceptances of a plan until November 30, 2000 and January 29, 2001, respectively. On November 15, 2001 the Debtors filed a motion seeking an additional extension of the Exclusive Periods. On November 28, 2001, this Court entered an Order extending the Exclusive Periods until January 31, 2001 and March 31, 2001, without prejudice to their right to seek further extensions of the Exclusive Periods.

WHEREFORE, the Debtors respectfully request entry of an order extending the expiration of (i) the exclusive period for filing of a chapter 11 plan or plans from January 31, 2001 to and including March 30, 2001, (ii) the exclusive period for solicitation of acceptances of such plan or plans from February 28, 2001 to and including April 29, 2001, without prejudice to

the Debtors' right to seek further extensions of the Exclusive Periods, and (iii) such other and further relief as is just and proper.

Dated: New York, New York
 January 18, 2001

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